

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA
SIXTH DIVISION

In RE:

Bky No.: 04-60106-DDO

Daniel S. Miller,
Debtor.

Adversary Case No. :04-6043

Daniel S. Miller,
Plaintiff,
vs.

ANSWER OF PEDERSON BROTHERS

Daniel Altepeter, Darral Altepeter, John
Altepeter, Peter Anderson, Roger Anderson,
Doug Barth, Chuck Bina, Bremer Bank National
Association, Monte Casavan, Gregory Driscoll,
Dubuque Farming Association, Emmert Farms,
Farmers Coop Grain & Seed, Kyle Haake, Roger
Hagen, Russ Halverson, Gary Hoper, J&J Gust Farms,
J.O. Thorson Farms, Inc., JETN Farms, LLP,
Gorman Johnson, Loren Johnson, Walter Johnson,
Dan Juneau, Joe Juneau, Charles Kaml, Key West Farms,
KO-R Farms, Inc., K-Team, Gary Larson, Lonesome Land,
Matco, Inc., David McCollum, McWalter Farms, Inc.,
James A. Narum, Bradley Nelson, Doyle Nelson,
Jeremy J. Nelson, Patrick Noll, Erik Nymann,
Nymann Farms, Ose Farms a/k/a Joseph T. Ose,
Burl Peckman, Gary Peckman, Pederson Brothers, Peterson
Farms, PM Farming, Inc., Hans Reinhardt, Darrold Rodahl,
Larry Roisland, Gary Salentiny, Dennis Salentiny, Richard
Salentiny, Andrew Spaeth, John Spina, Howard Steinmetz,
Matt Thorson, Ronald Thorson, Tri-Mack Potato, Inc.,
United Grain & Livestock, Erwin Vanek, Dan Wichterman,
Steve D. Wollin and Gregory Wollin.

Defendants.

COMES NOW, Pederson Brothers, by and through its undersigned attorney, as and for its answer to the amended complaint of the Plaintiff states and alleges as follows:

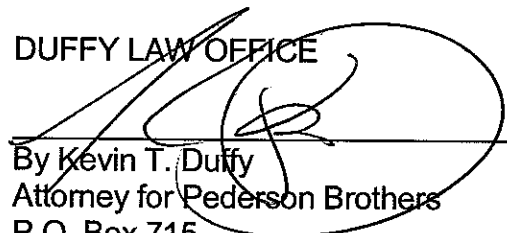
1. The answering Defendant denies each and every allegation statement or assertion contained in said amended complaint unless expressly admitted, qualified or otherwise explained.
2. The answering Defendant admits the allegations contained in paragraphs 1, 3, 4, 5, 6, 7, 8, 9, 25, 32, and 91.
3. The answering Defendant is without a basis to form a belief as to the truth or veracity of the allegation contained in paragraphs 2, 10, 11, 12, 13, 15, 17, 18, 22, 23, 24, 30, 31, 33 through 90, 92 through 116, and 125 through 138.
4. The answering Defendant specifically alleges that the stored grain with the Plaintiff notwithstanding the fact that the Plaintiff claims it did not possess a bond sale to store grain through the State of Minnesota. The Plaintiff would grant the Defendant and other similarly situated farmers 60 days of free storage and than \$.02 per bushel per month thereafter. The Plaintiff would never receive rent storage payments directly. Instead, he would deduct the cost from the price that he provided for the grain in storage.
5. The answering Defendant specifically alleges that it is the owner of 1,978.9 bushels of corn and 1,857.88 bushels of wheat as referenced in paragraph 91 of the complaint.
6. The answering Defendant further alleges that it had a bailment arrangement with the Plaintiff as a result of the grain that is stored with the Plaintiff.
7. The answering Defendant specifically denies that the Plaintiff had any ownership interest whatsoever in the corn and wheat bushels referred to above in paragraph 91 of the complaint.

WHEREFORE, the Defendant, Pederson Brothers prays for an Order of the Court as follows:

1. Dismissing the Plaintiff's amended complaint with prejudice.
2. Determining that co-Defendant, Pederson Brothers is the owner of 1,978.9 bushels of corn and 1,857.88 bushels of wheat as referenced in paragraph 91 of the complaint.
3. Determining that co-Defendant, Pederson Brothers entered into a bailment relationship with the Plaintiff relating to its bushels of corn and wheat referred to above.
4. Determining that title to the bushels of corn and wheat referred to above never passed to the Plaintiff as a result of the bailment relationship existing between the Plaintiff and Pederson Brothers.
5. Granting to Pederson Brothers its attorneys fees, cost and disbursements, and other expenses associated with defending this matter.
6. Granting to Pederson Brothers such other and further relief as to the Court deems just and equitable.

Dated: July 8, 2004.

DUFFY LAW OFFICE



By Kevin T. Duffy
Attorney for Pederson Brothers
P.O. Box 715
Thief River Falls, MN 56701
Telephone: 218-681-8524
Attorney ID #134 600

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In RE:

Daniel S. Miller,

Debtor.

Bky No.: 04-60106-DDO

Daniel S. Miller,

Plaintiff,

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Adversary Case No. :04-6043

AFFIDAVIT OF MAILING

Daniel Altepeter, Darral Altepeter, John
Altepeter, Peter Anderson, Roger Anderson,
Doug Barth, Chuck Bina, Bremer Bank National
Association, Monte Casavan, Gregory Driscoll,
Dubuque Farming Association, Emmert Farms,
Farmers Coop Grain & Seed, Kyle Haake, Roger
Hagen, Russ Halverson, Gary Hoper, J&J Gust Farms,
J.O. Thorson Farms, Inc., JETN Farms, LLP,
Gorman Johnson, Loren Johnson, Walter Johnson,
Dan Juneau, Joe Juneau, Charles Kaml, Key West Farms,
KO-R Farms, Inc., K-Team, Gary Larson, Lonesome Land,
Matco, Inc., David McCollum, McWalter Farms, Inc.,
James A. Narum, Bradley Nelson, Doyle Nelson,
Jeremy J. Nelson, Patrick Noll, Erik Nymann,
Nymann Farms, Ose Farms a/k/a Joseph T. Ose,
Burl Peckman, Gary Peckman, Pederson Brothers, Peterson
Farms, PM Farming, Inc., Hans Reinhardt, Darrold Rodahl,
Larry Roisland, Gary Salentiny, Dennis Salentiny, Richard
Salentiny, Andrew Spaeth, John Spina, Howard Steinmetz,
Matt Thorson, Ronald Thorson, Tri-Mack Potato, Inc.,
United Grain & Livestock, Erwin Vanek, Dan Wichterman,
Steve D. Wollin and Gregory Wollin.

Defendants.

STATE OF MINNESOTA)

) SS.

COUNTY OF PENNINGTON)

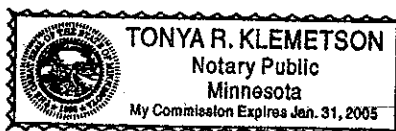
Tammy W. Brausen being first duly sworn, upon oath, deposes and says that in said County and State on July 8, 2004, she served the attached **ANSWER** upon the following named persons by then and there placing a true and correct copy therein in a sealed envelope, with postage prepaid thereon, and depositing the same in the U.S. Mail at Thief River Falls, Minnesota, addressed to:

SEE ATTACHED SERVICE LIST.

Tammy W. Brausen
Tammy W. Brausen

Subscribed and sworn to before
me on July 8, 2004.

Tonya R. Klemetson
Notary Public



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